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HB 7027 “An Act Concerning the State Budget for the Biennium Ending June Thirtieth 2019, and Making Appropriations Therefor”

The Governor’s proposed budget makes several changes that would impact Connecticut municipalities. In particular, it would require towns and cities to pay one-third of the employer’s share of teacher retirement benefits. As well, the proposal makes changes to the distribution of education funding. First, it would restructure ECS distribution, and second it would transfer those funds to a new grant for special education.

As the First Selectman, we have not been immune from having to make difficult financial decisions in light of Darien’s conservative fiscal policies. Even when municipal aid is cut, mandate relief is denied and additional state mandates are imposed, we continue our service- delivery responsibilities to our residents. This recent proposal to shift the State’s burden onto Connecticut’s towns should be reconsidered because it picks funding winners and losers and creates conflict between towns, between Boards of Education and Municipalities and enjoins our most vulnerable residents – special needs students – in the political debate.

If enacted, Darien would be required to pay \$4,584,090 in FY 18 and \$4,733,073 in FY19 into the teacher’s retirement program. This skin-in-the-game cost shifting with, without question, will result in a local property tax increase at a time when State leadership acknowledges Connecticut cities and towns are already overly reliant on property tax.

We are also very concerned with the Governor’s proposal that would reconfigure ECS funding, and establish a Special Education Grant, which would replace the existing Excess Cost grant. The new funding formula completely eliminates any ECS funding for the Town of Darien. While the proposal does offer some (\$101,525) funding for special education, this change, along with the burden of paying 1/3 of the employer’s portion of the teacher’s retirement benefits means a drastic shift of cost to our property taxpayers. While politically expedient, this cost shift along, without meaningful structural changes to the teachers’ pension plan, does not make our state, cities or towns more competitive.

As the state grapples with historic deficits, the temptation to cut aid and shift cost burdens to municipalities will be the “easy” answer. Municipal aid is an enticing target whenever the State’s budget gets tight. I ask that you don’t balance the state budget on the backs of local property taxpayers. Instead, reject the Governor’s proposals relating to teachers retirement and education funding, as well, provide the structural financial changes to provide alternative revenue sources and allow for greater sufficiency outside of the State coffers.

CC: Senator Bob Duff
Senator Carlo Leone
Representative Terrie Wood
Representative William Tong